American Hospital Association

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June 1, 2018

BY EFILE

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Notice of ex parte from the American Hospital Association*
Promoting Telehealth in Rural America, WC Docket No. 17-310; Rural Health Care Universal Support Mechanism, CC Docket No. 02-60

Dear Ms. Dortch:

By this letter, and pursuant to Section 1.1206 of the Commission's rules,[1] the American Hospital Association ("AHA") provides notice of meetings on May 31 between representatives from AHA and the Kansas Hospital Association (KHA") and the Commission. AHA and KHA met with Chairman Pai and Nirali Patel, legal advisor to the Chairman, and separately with Trent Harkrader, Ryan Palmer, Liz Drogula, Regina Brown and Dana Bradford (by phone), all of the Wireline Competition Bureau ("WCB"). Representing AHA in the meetings was Chantal Worzala, Kristine Weger, and AHA's outside counsel Patrick Halley of Wilkinson Barker Knauer LLP (in the meeting with WCB). Representing KHA was Jennifer Findley, Brenda Lichliter, and Landon Fulmer, outside consultant to KHA.

During the meeting AHA and KHA representatives described the critical importance of the Rural Healthcare Program in meeting the broadband needs of healthcare providers in Kansas and across the country. We emphasized the growing use of telemedicine to meet the needs of rural hospitals and patients, the lack of competitive choices and high cost of connectivity for rural health care providers, and the essential role that the Rural Healthcare Program plays in addressing these challenges. Against that backdrop and consistent with AHA's advocacy in the above-captioned proceedings, we expressed disappointment at the significant cuts (15 percent for individual participants and 25 percent for consortia participants) announced by USAC for FY 2017. We indicated support for providing

[1] 47 C.F.R. § 1.1206.

additional funding for FY 2017 to reduce the impact of these cuts and urged the Commission to increase the overall program funding cap going forward.

Specifically, we offered support for adjusting annually the RHC program cap for inflation, including a "catch up" increase to account for inflation since the program began. The Commission has stated that if it had adjusted the $400 million cap annually for inflation since 1997, the RHC program cap would have been approximately $571 million for FY 2017. We also recommended that the Commission undertake a detailed assessment of the future demand for broadband-enabled health care services to more accurately set a program cap to meet the needs of rural health care providers and their patients, as the Commission has done for similar programs, such as the E-rate program.

KHA representatives described the importance of the program to Kansas healthcare providers. Overall the program supports more than 200 sites today. Following the establishment of the Health Connect Fund Kansas created a 25-member statewide consortium designed to take advantage of the new program. FY 2017 was the first year the consortium received funding from the program. KHA representatives explained the negative impact of the pro rata reductions and expressed disappointment that the impact of the spending reductions was greater for consortia than individual participants. Such a policy discourages participation in consortia which therefore reduces opportunities for efficiencies and overall cost-savings that consortia can enable. Thus, with respect to the implementation of pro rata reductions when the cap is reached going forward, KHA representatives urged the Commission to reconsider its policy to prioritize individual applicants over consortia.

Please direct any questions to the undersigned.

Sincerely,

/s/
Chantal Worzala
Vice President of Policy
American Hospital Association

cc: Chairman Ajit Pai
Nirali Patel
Trent Harkrader
Ryan Palmer
Liz Drogula
Regina Brown
Dana Bradford